

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 IO-14 CPR-02 SY-10 USSS-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 AID-20

COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 EUR-25 EA-11 NEA-10 STR-08 FAA-00

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R 121311Z NOV 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 4231

USUN 475

AMEMBASSY BRASILIA

AMEMBASSY ASUNCION

AMEMBASSY MONTEVIDEO

AMEMBASSY LA PAZ

C O N F I D E N T I A L SECTION 1 OF 2 BUENOS AIRES 8199

E.O. 11652: N/A

TAGS: PFOR, AR, US, UN

SUBJECT: POSSIBLE MOTIVES FOR PERON'S US TRIP

1. SUMMARY. IN PERIOD SINCE OCT 12 THE GOA HAS MADE STRENUOUS EFFORTS TO PROJECT A PUBLIC IMAGE OF A GOVERNMENT CONDUCTING A "DYNAMIC NEW FOREIGN POLICY" INFORMED BY PERON'S VISIONARY PRINCIPLES AND ABLY IMPLEMENTED BY A SKILLFUL VIGNES. FOR LOCAL OPINION, A WELL RECEIVED PERON ADDRESS TO THE UNGA AND A MEETING WITH PRESIDENT NIXON WOULD BE DRAMATIC "PROOF" OF THE SUCCESS OF THE NEW FOREIGN POLICY. THUS, IMAGERY ASPECT IS NOT LACKING. HOWEVER, GIVEN CURRENT HIGH STANDING OF PERON IN ARGENTINE PUBLIC OPINION AND CONSISTENTLY GOOD PRESS HE RECEIVES AND CAN GENERATE ALMOST AT WILL, WITH OR WITHOUT TRIP TO NEW YORK, POSSIBILITY THAT TRIP SEEKS SOME MORE TANGIBLE RESULT CANNOT BE CONFIDENTIAL

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DISMISSED. ONLY CLUE AS TO SUCH GOA EXPECTATIONS IS CRYPTIC REFERENCE IN LA OPINION TO FACT THAT VIGNES WOULD ACCOMPANY PERON TO US AS HEAD OF "SPECIAL GROUP". THERE IS ALSO SPECULATION THAT GELBARD WOULD ACCOMPANY. PURPOSE OF GROUP WAS NOT SPCIFIED

BUT IT IS UNLIKELY THAT SUCH ENTOURAGE WOULD BE NEEDED IF ADDRESS AT U.N. WAS ALL PERON HAD IN MIND. IF, HOWEVER, HE WISHES TO DISCUSS SUBSTANTIVE MATTERS WITH U.S., RATIONALE BECOMES CLEARER. EMBASSY IS TRYING DISCREETLY TO ASCERTAIN WHAT ROLE "SPECIAL GROUP" TO PLAY ON PROPOSED TRIP, AND SUGGESTS DEPARTMENT AND USUN BE ALERT TO ANY HINTS GOA MIGHT DROP AT US END. END SUMMARY.

2. LA OPINION ARTICLES LEAKING STORY THAT PERON WOULD GO TO UNGA AND USE OPPORTUNITY TO SEE PRESIDENT NIXON EMPHASIZED THAT THESE EVENTS CLEARLY MUST BE SEEN IN CONTEXT OF GOA'S DYNAMIC NEW FOREIGN POLICY UNDER LEADERSHIP OF PERON/VIGNES. IMMINENT SIGNING OF THE YACIRETA-APIPE TREATY WITH PARAGUAY, THE LETTING OF CONTRACTS FOR SALTO GRANDE AND THE DEFINITION OF A COMMON RIO DE LA PLATA BORDER WITH URUGUAY (NOV 8 PRESS SAYS AMB DE LA PLAZA, WHO HANDLED KISSINGER/VIGNES MEETING FOR GOA, IS IN URUGUAY TO HELP REACH QUICK SETTLEMENT), THE INVITATIONS TO PRESIDENTS BANZER OF BOLIVIA AND TORRIJOS OF PANAMA WERE ALL CITED AS EXAMPLES OF THE RESULTS THE NEW POLICY HAD ALREADY ACHIEVED. THE FOLLOWING DAYS SAW STORIES IN PRESS THAT VIGNES AND PERON WOULD FY TO ASUNCION TO SIGN YACIRETA-APIPE TREATY. FINALLY, AN INORDINATE AMOUNT OF COVERAGE WAS GIVEN TO A RELATIVELY INSIGNIFICANT AGREEMENT WITH PERU ON HYDROCARBONS.

3. TO DATE, PERON HAS RECEIVED AN EXCELLENT LOCAL PRESS AND NO SIGNS HAVE APPEARED TO INDICATE THAT THIS HONEYMOON IS ABOUT TO END. SINCE AT PRESENT PERON'S EVERY WORD AND ACT IS REPORTED ON BY THE MEDIA IN EXHAUSTIVE AND FAVORABLE DETAIL, IT APPEARS UNLIKELY THAT HE WOULD TAKE TIME AND EFFORT TO JOURNEY TO NEW YORK ONLY TO ACCOMPLISH WHAT IN DIFFERENT CONTEXT HE CAN ACHIEVE AT FRONT GATE OF HIS SUBURBAN HOME.

4. DOUBTLESS PERON IS AT LEAST IN PART MAKING US TRIP AS PART OF A PLAN TO ASSUME LEADERSHIP ROLE IN HISPANIC LATIN AMERICA. FOR THIS HE NEEDS (AND TRIP WOULD PROVIDE) A LARGER SCREEN UPON WHICH TO PROJECT. IN THE SAME CONTEXT, ONE COULD CITE THE FACT THAT THE TWO LEADERS HE HAS INVITED ARE BOTH FROM SMALLER LATIN AMERICAN COUNTRIES. BANZER, WHO HAS MADE HIS REPUTATION AS AN CONFIDENTIAL

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ANTI-LEFTIST MODERATE, AND TORRIJOS WHO PROJECTS A STRONGLY NATIONALIST, REFORMIST IMAGE WILL ALLOW PERON, IN EFFECT, TO PLAY HOST TO A MINI-SPECTRUM OF LATIN AMERICAN POLITICS. BOTH LEFT AND RIGHT IN LATIN AMERICA (AND IN ARGENTINA) WILL BE ABLE TO FIND SOMETHING TO THEIR LIKING WITH THIS BIT OF BALANCED SUMMITRY. ALSO, THE ATTEMPT BY VIGNES TO USE EXPECTED SIGNING OF YACIRETA-APIPE TREATY AS OPPORTUNITY FOR PERON (AND VIGNES) TO BE SEEN ACCOMPLISHING POSITIVE DEEDS, SETTLING IMPORTANT ISSUES WITH SMALLER NEIGHBOR IN AMIBLE FASHION AND, NOT LEAST IMPORTANT, COUNTERING BRAZILIAN INFLUENCE IN LATIN AMERICA, ALL SUGGEST THAT PERON IS NOT UNAWARE OF DOMESTIC USES OF FOREIGN POLICY IMAGERY.

5. HOWEVER, HIS FOREIGN POLICY MOVES ARE DOUBTLESS ALSO DESIGNED TO ACHIEVE TANGIBLE RESULTS. FOR EXAMPLE, HOWEVER MALADROIT VIGNES' ATTEMPT TO USE YACIRETA-APIPE SIGNING (SINCE CALLED OFF, ACCORDING TO FM PRESS RELEASE) FOR PUBLIC RELATIONS PURPOSES, FACT REMAINS GOA UNDER PERON IS BOWING TO REALITIES OF SITUATION AND HAD MOVED FROM THE MOUTHING OF STERILE PRINCIPLES AND UNPRODUCTIVE HOSTILE GESTURES OF CAMPORA PERIOD TO PRAGMATIC STEP OF GETTING BEST DEAL POSSIBLE. IDEOLOGICAL LINE FOR THIS MOVE WAS SET FORTH IN RECENT ISSUE OF SEMI-OFFICIAL PERONIST PUBLICATION "LAS BASES" WHICH ARGUED THAT PARANA ENERGY ISSUE NEED NOT IMPLY CONFLICT WITH BRAZIL AND COULD BE SETTLED TO SATISFACTION OF BOTH. WHEN COMPARED TO PRESS LINE AND COUNTER-PRODUCTIVE GOA ACTIONS UNDER CAMPORA IT IS CLEAR THAT PERON WANTED RESULTS IN NEGOTIATIONS WITH PARAGUAY, NOT MERE POSTURING WHICH OBVIOUSLY WAS PROVING COUNTERPRODUCTIVE.

6. WITH RESPECT TO THE US, THE GOA HAS TAKEN A GENERALLY POSITIVE LINE SINCE OCT 12. HOWEVER, WHILE THE EXCHANGE OF LETTERS BETWEEN PRESIDENTS AND OTHER ENCOURAGING GESTURES HAVE BEEN NOTED, THE GOA POSITIONS ON THE TWO MOST IMPORTANT CURRENT BILATERAL ECONOMIC ISSUES (CIVAIR AND CUBA TRADE) PROVIDE CONFUSING SIGNALS. ON CIVAIR, THE GOA HAS WAVERED BETWEEN HINTING IT WOULD TAKE A HARDLINE POSITION AND THEN AT TIMES SHOWING SIGNS OF BEING A GOVERNMENT WHOSE POSITION IS NOT YET DEFINED (I.E. AS BETWEEN THE POLICY OPTIONS OF BEING HARDLINE OR FORTHCOMING). ON THE POLITICALLY MUCH MORE EXPLOSIVE ISSUE OF TRADE WITH CUBA, THE GOA HAS CLEARLY STATED THAT IT VIEWS ITS POSITION, WHICH CONFLICTS DIRECTLY WITH THE US STAND, AS UNASSAILABLE. ONE IMPORTANT FACTOR
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TO NOTE IN THIS CONNECTION, HOWEVER, IS THE GOA WILLINGNESS TO DATE TO AVOID TAKING A SHOT AT THE US THAT WOULD GAIN IT MUCH PROPAGANDA CAPITAL WITH LOCAL NATIONALIST AND LEFTIST SENTIMENT. AT PRESENT IT APPEARS GOA MUCH PREFERENCES TO WORK FOR A POSITIVE SOLUTION IN DIPLOMATIC CHANNELS RATHER THAN REAP THE SURE PROPAGANDA BONANZA THE CUBA TRADE ISSUE WOULD YIELD.

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LAB-06 SIL-01 OMB-01 EUR-25 EA-11 NEA-10 STR-08 FAA-00

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C O N F I D E N T I A L SECTION 2 OF 2 BUENOS AIRES 8199

7. AS PERON PREPARES TO GO TO US (IN INTERVIEW WITH VISITING WEST GERMAN NEWSMEN ON NOV 6, PERON PERSONALLY "CONFIRMED" THAT TRIP IS ON) TO AT LEAST ADDRESS THE UNGA AND HOPEFULLY (FROM GOA VIEW) MEET WITH PRESIDENT NIXON, SPECULATION AS TO AIMS OF HIS TRIP SEEM IN ORDER.

8. ASSUMING PERON EXPECTS SOME MORE TANGIBLE RESULTS (IN ADDITION TO GOOD PRESS), THE MOST LIKELY AREA FOR GOA TO ATTEMPT TO DO BUSINESS WITH US IS IN ECONOMIC AREA. PERON'S CONSTANT REFRAIN THAT ARGENTINA CAN GET INVESTMENT FROM ITALY, THE PRC, THE ARABS, THE EC, ETC. ON FAVORABLE TERMS HAS NOT YET MATERIALIZED OR EVEN SHOWN PROSPECTS OF SOON MATERIALIZING. SIGNS POINT TO INVESTORS TAKING A CAUTIOUS ATTITUDE TOWARD A PERONIST GOVERNMENT WHETHER CAMPORA OR PERON IS AT HELM. TO ATTRACT FOREIGN INVESTMENT GOA MUST, OF COURSE, PROVIDE CLIMATE CONDUCTIVE TO ATTRACT CAPITAL. CONFIDENTIAL

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TO DATE, EVIDENCE OF ACTIONS SINCE PERON'S ASCENSION TO OFFICE ARE TOO TENTATIVE TO PERMIT DEFINITIVE CONCLUSIONS. HOWEVER, WHAT EVIDENCE THERE IS DOES NOT REFLECT BADLY ON GOA POLICY AIM OF HOPING TO ENLIST FOREIGN CAPITAL IN ITS DEVELOPMENT PROGRAM. ON THE BELLWETHER FOREIGN INVESTMENT LAW, THE EXECUTIVE BRANCH DID NOT TRY TO HIDE THE FACT THAT IT WAS DISSATISFIED BY THE HARSH BILL ORIGINALLY FASHIONED BY THE CAMPORA ADMINISTRATION. AT ONE POINT, THE PERON ADMINISTRATION SEEMED ON THE VERGE OF REMOVING THE BILL FROM CONGRESS IN ORDER TO RESTUDY AND RESUBMIT A VERSION MORE FAVORABLE TO FOREIGN INVESTORS. AS THIS CABLE WAS BEING PREPARED, THE CONGRESS, "ON THE URGENT REQUEST OF THE EXECUTIVE", PASSED THE SENATE VERSION (ADMINISTRATION-BACKED) OF THE FOREIGN INVESTMENT ACT WHICH IS LESS HARSH AND MORE FLEXIBLE THAN EITHER THE ORIGINAL EXECUTIVE BRANCH VERSION OF THE BILL OR THE LOWER CHAMBER VERSION.

9. ON THE RELATED MATTER OF THE GOA'S HANDLING OF THE DOMESTIC ECONOMY, THE RECORD, WHILE NOT UNIFORMLY POSITIVE, HAS SUGGESTED THE GOA WANTS TO DEAL ACTIVELY WITH THE COUNTRY'S SOCIO-ECONOMIC

PROBLEMS. MORE IMPORTANTLY, THIS GOVERNMENT CLEARLY HAS THE POLITICAL CLOUT TO MAKE ITS ECONOMIC POLICIES STICK--WHETHER WITH BUSINESS OR LABOR.

10. THE "LEAK" THAT PERON WOULD MEET PRESIDENT NIXON IN NEW YORK TOOK CARE TO PROVIDE FACE-SAVING GOA OUT (MIDDLE EASE, DOMESTIC US POLITICS) IF US FAILED TO TAKE UP SUMMIT GAMBIT. HOWEVER, AS PART OF LEAK, STORY NOTED THAT FM VIGNES WOULD HEAD UP A "SPECIAL GROUP" WHOSE FUNCTIONS IN NEW YORK WERE NOT SPECIFIED. AND THERE HAS BEEN SPECULATION THAT ECONOMY MINISTER GELBARD WOULD GO ALONG TOO. WHILE EMBASSY DISCREETLY ATTEMPTING TO PROBE PURPOSE OF VIGNES' "SPCIAL GROUP", POSSIBILITY THAT IT HAS AN ECONOMIC MOTIVE CANNOT BE DISMISSED. BOTH USUN AND DEPARTMENT WILL, OF COURSE, BE ALERT TO ANY HINTS THAT GOA HAS SPECIFIC ECONOMIC OR OTHER MATTERS IT WISHES TO PRESS ON PERON'S VISIT. IT IS VERY POSSIBLE GOA MAY BELIEVE THAT IT HAS SIGNALLED ITS INTENTIONS TO DISCUSS SPECIAL TOPICS WITH US, HAS PUT ITS FOREIGN POLICY HOUSE IN ORDER AND CAN NOW ONLY WAIT FOR US TO RESPOND BY SIGNALLING INTEREST--OR LETTING MATTER DROP.

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